

Message Text

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FM AMEMBASSY ADDIS ABABA

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FOR FRANKLIN WILLIS, ASST. LEGAL ADVISOR, BUREAU OF AFRICAN
AFFAIRS

E.O. 11652: N/A

SUBJ: PROVISION OF ELECTRICITY BY KAGNEW STATION TO CITY OF
ASMARA

PER REQUEST, FOLLOWING IS TEXT OF NOTE SENT TO EPMG REF
SUBJECT: QUOTE: THE EMBASSY OF THE UNITED STATES OF
AMERICA PRESENTS ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN
AFFAIRS OF THE ETHIOPIAN PROVISIONAL MILITARY GOVERNMENT AND
HAS THE HONOR TO REFER TO THE EXCHANGE OF CORRESPONDENCE
BETWEEN THE EMBASSY AND THE MINISTRY ON THE SUBJECT OF
PROVISION OF ELECTRICITY BY KAGNEW STATION TO THE CITY OF
ASMARA. THE EMBASSY BELIEVES IT WOULD BE USEFUL TO REVIEW THE
EXCHANGE OF CORRESPONDENCE BETWEEN US AND THE STATUS OF THE
SUBJECT AGREEMENT. THE EMBASSY'S NOTE NO. 147 OF APRIL 2, 1975,
WAS AMENDED BY THE AIDE MEMOIRE OF APRIL 8 AND SUBSEQUENTLY
ALSO BY A LETTER FROM THE EMBASSY POLITICAL COUNSELOR TO THE
AMERICAN AFFAIRS DIRECTOR DATED APRIL 9, 1975. SUBSEQUENTLY,
THE EMBASSY PROPOSED A FURTHER MODIFICATION TO THE AGREEMENT
BY ITS NOTE NO. 200 OF MAY 7, 1975. THE MINISTRY FURTHER
MODIFIED THE BASIC AGREEMENT BY ITS NOTE NO. 13350/62/83. IN
ADDITION, AS RESULT OF RECENT DISCUSSIONS BETWEEN ETHIOPIAN
ELECTRIC LIGHT AND POWER AUTHORITY (EELPA) OFFICIALS AND U.S.
GOVERNMENT REPRESENTATIVES IN ASMARA, THE EMBASSY WISHES TO
INCLUDE THE FOLLOWING TEXT, CONCURRED IN BY BOTH PARTIES, IN
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THE BASIC AGREEMENT AS GIVEN IN NOTE NO. 147:

INNER QUOTE: ETHIOPIAN ELECTRIC LIGHT AND POWER AUTHORITY WILL BE CHARGED FOR STATION POWER AT THE RATE OF 6.53 UNITED STATES CENTS PER KILOWATT HOUR, AND STATION POWER WILL BE COMPUTED BY SUBTRACTING THE AVERAGE OF STATION POWER CONSUMED PRIOR TO THE PROVISION OF POWER TO THE CITY END INNER QUOTE.

QUOTE : THE UTILITIES AGREEMENT AS AMENDED BY THE ABOVE-STATED DOCUMENTS AND THE PRECEDING CLAUSE WILL READ IN ITS ENTIRETY AS FOLLOWS:

QUOTE: RESPECTING THE NEED OF THE UNITED STATES GOVERNMENT TO BE FULLY REIMBURSED FOR ALL COSTS OF UTILITIES FURNISHED AND ANY ASSOCIATED SERVICES RENDERED, THE EMBASSY OF THE UNITED STATES HAS THE HONOR TO PROPOSE THE FOLLOWING ARRANGEMENT: THE PROVISIONAL MILITARY GOVERNMENT WILL SUPPLY IN ADVANCE, THE FUEL OIL NEEDED FOR GENERATION OF THE ELECTRICAL POWER TO BE PROVIDED ASMARA. IN ADDITION, THE PROVISIONAL MILITARY GOVERNMENT WILL DEPOSIT IN ADVANCE WITH THE UNITED STATES GOVERNMENT PAYMENT FOR COSTS REQUIRED TO SETTLE TERMINATION OF THE EMPLOYMENT OF EXTRA PERSONNEL NEEDED TO PROVIDE ELECTRICAL SERVICE TO ASMARA, AND AN AMOUNT EQUAL TO THREE MONTH'S ESTIMATED OVERHEAD COSTS DIRECTLY RELATED TO THE PROVISION OF ELECTRICITY TO ASMARA.

QUOTE: THE MONTHLY CONSUMPTION OF ELECTRICITY BY ASMARA WILL BE MEASURED BY THE UNITED STATES GOVERNMENT IN THE CENTRAL POWER PLANT AT KAGNEW. THE MONTHLY CHARGE SHALL BE DETERMINED BY THE UNITED STATES GOVERNMENT IN ACCORDANCE WITH ITS UNIT COST OF PRODUCING ELECTRICITY USING THE GENERATING UNITS DEDICATED TO SUPPLY ELECTRICITY TO ASMARA. THE INITIAL UNIT COST WILL BE .544 UNITED STATES CENTS PERKILOWATT HOUR PRODUCED. IN ADDITION, THE ETHIOPIAN ELECTRIC LIGHT AND POWER AUTHORITY WILL BE CHARGED FOR STATION POWER AT THE RATE OF 6.53 UNITED STATES CENTS PER KILOWATT HOUR AND STATION POWER CONSUMED PRIOR TO THE PROVISION OF POWER TO THE CITY OF ASMARA. EACH MONTH THE UNITED STATES GOVERNMENT SHALL INFORM THE PROVISIONAL MILITARY GOVERNMENT OF THE TOTAL AMOUNT AND COST OF ELECTRIC POWER PROVIDED TO ASMARA. THE MONTHLY STATEMENT WILL ACCOUNT FOR DEDUCTIONS FROM THE ADVANCE PAYMENT DEPOSIT AND OVERHEAD COSTS. EACH MONTH THE PROVISIONAL MILITARY GOVERNMENT TO THE UNITED STATES GOVERNMENT. PAYMENT WILL BE MADE IN ETHIOPIAN DOLLARS AT THE OFFICIAL EXCHANGE RATE, WITH BANKING AND EXCHANGE EXPENSES BEING ON THE AUTHORITY'S ACCOUNT. ANY LIMITED OFFICIAL USE

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AMOUNT REMAINING IN THE ADVANCE PAYMENT DEPOSIT ACCOUNT UPON TERMINATION OF THIS ARRANGEMENT WILL BE REFUNDED TO THE PROVISIONAL MILITARY GOVERNMENT FOLLOWING PAYMENT OF ALL COSTS FOR SERVICE. THE UNITED STATES GOVERNMENT SHALL PROVIDE REASONABLE NOTICE TO THE PROVISIONAL MILITARY GOVERNMENT OF ALL CHANGES IN THE UNIT COST PER KILOWATT HOUR AND THE PROVISIONAL MILITARY GOVERNMENT WILL PAY THE ADJUSTED PRICE. QUOTE: THE UNITED STATE GOVERNMENT WILL SUPPLY SUCH SURPLUS

POWER AS IT DETERMINES IS AVAILABLE BUT NOT MORE THAN THE OUTPUT OF TWO OF ITS GENERATING UNITS WHICH HAVE A NOMINAL CAPACITY OF 2,5000 KILOWATTS EACH AND WHICH SHALL BE OPERATED, IF FEASIBLE, AT A NOMINAL 50 HERTS IN ACCORDANCE WITH THE REQUIREMENTS OF ASMARA. AS THE IMPLEMENTATION OF THIS ARRANGEMENT DEPENDS UPON THE CONTINUED OPERATION OF THE UNITED STATES GOVERNMENT FACILITIES AT KAGNEW, THE PROVISIONAL MILITARY GOVERNMENT AUTHORITIES SHALL INSURE THAT THERE WILL BE SUFFICIENT FUEL AVAILABLE AT ALL TIMES FOR THE PROVISION OF POWER TO THE UNITED STATES GOVERNMENT INSTALLATIONS. IN THIS CONNECTION, THE FURNISHING OF ELECTRICITY TO ASMARA WILL BE DISCONTINUED IF THE SUPPLY OF FUEL OIL AT KAGNEW STATION FALLS BELOW THAT REQUIRED FOR TWO WEEKS'S OPERATION.

QUOTE: CASUALTIES TO EITHER GENERATOR OR REGULATING/ DISTRIBUTION EQUIPMENT WILL BE REPAIRED BY NAVCOMMUNIT. REIMBURSEMENT FOR SUCH REPAIRS WILL BE PROVIDED BY EELPA. THE UNITED STATES GOVERNMENT (INCLUDING ITS OFFICERS, AGENTS AND EMPLOYEES) ACCEPTS NO RESPONSIBILITY FOR DAMAGE OR INJURY FROM THIS UNDERTAKING TO SUPPLY ELECTRICITY TO ASMARA, AND THE PROVISIONAL MILITARY GOVERNMENT SHALL HOLD THE UNITED STATES GOVERNMENT HARMLESS FROM ANY CLAIMS RELATING TO THE UNDERTAKING.

QUOTE: SINCE IT IS THE INTENTION OF BOTH THE UNITED STATES GOVERNMENT AND THE PROVISIONAL MILITARY GOVERNMENT THAT THIS ARRANGEMENT BE A TEMPORARY ONE IT SHALL TERMINATE AS SOON AS THE ASMARA ELECTRIC POWER FACILITIES CAN BE RESOTRED. EITHER THE UNITED STATES GOVERNMENT OR THE PROVISIONAL MILITARY GOVERNMENT MAY SUSPEND SERVICE OR TERMINATE THIS ARRANGEMENT BY PROVIDING NOTICE TO THE OTHER. IT IS THE DESIRE OF THE UNITED STATES GOVERNMENT THAT THE DURATION OF THIS PROVISIONAL ARRANGEMENT SHOULD NOT EXCEED SIX MONTHS. IN THIS REGARD, THE APPROPRIATE UNITED STATES AND PROVISIONAL MILITARY GOVERNMENT AUTHORITIES SHALL CONSULT WITH A VIEW TO MAKING IT LIMITED OFFICIAL USE

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POSSIBLE TO TERMINATE THE ARRANGEMENT WITH THIS PERIOD. QUOTE: IF THE FOREGOING TEXT IS ACCEPTABLE TO THE MINISTRY, THE EMBASSY PROPOSES THIS NOTE AND AN AFFIRMATIVE ANSWER THERETO CONSTITUTE AN AGREEMENT BETWEEN OUR TWO GOVERNMENTS. QUOTE: THE EMBASSY OF THE UNITED STATES OF AMERICA AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE MINISTRY OF FOREIGN AFFAIRS OF THE ETHIOPIAN PROVISIONAL MILITARY GOVERNMENT THE ASSURANCES OF ITS HIGHEST CONSIDERATION. UNQUOTE. HUMMEL

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